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ITEM NO=00730366

ENVELOPE

CDSN = LGX086 MCN = 0129/24807 TOR = 901291522

RTTCZYUW RUEKJCS3676 1291458-CCCC--RUEALGX.

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HEADER

R 091458Z MAY 90

FM JOINT STAFF WASHINGTON DC

INFO RUFGAID/USEUCOM AIDES VAIHINGEN GE

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INFO RUEHDC/USDOC WASHDC

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RUEATRS/TREASURY WASHDC

RUEAUSA/USDOL WASHDC

RHEBAAA/DOE WASHDC

RUCJACC/USCINCCENT MACDILL AFB FL

RUFHAD/AMEMBASSY ABU DHABI 7467

RUEHAM/AMEMBASSY AMMAN 6424

RUEHDH/AMCONSUL DHAHRAN 8925

RUEHDO/AMEMBASSY DOHA 7203

RUEHJI/AMCONSUL JEDDAH 4923

RUEHMA/AMEMBASSY MANAMA 8138

RUFHMS/AMEMBASSY MUSCAT 6197

RUFHSN/AMEMBASSY SANAA 7160

RUESST/AMEMBASSY BAGHDAD 3166

RUFHLD/AMEMBASSY LONDON 3103

RUFHFR/AMEMBASSY PARIS 2805

RUEHEG/AMEMBASSY CAIRO 6698

RUEHBK/AMEMBASSY BANGKOK 0469

RUEHAK/AMEMBASSY ANKARA 0860

RUEHNC/AMEMBASSY NICOSIA 0240

RUEHKH/AMEMBASSY KHARTOUM 1465

RUEHTU/AMEMBASSY TUNIS 1510

RUEHUL/AMEMBASSY SEOUL 0350

RUEHIN/AIT TAIPEI 0004

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TREASURY FOR OASIA/ICE/JOHN HURLEY

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/\*\*\*\*\* THIS IS A COMBINED MESSAGE \*\*\*\*\*/

BODY

TAGS: ECON, EAGR, EAID, EFIN, EIND, ELAB, EPET, ETRD, SA  
SUBJECT: ECONOMIC AND COMMERCIAL REPORT FOR FEBRUARY 1990

1. SUMMARY: OIL AND PETROCHEMICALS: RECENT OIL FINDS IN SAUDI ARABIA'S CENTRAL REGION HAVE SPARKED SPECULATION THAT SIZEABLE RESERVES MAY LIE DEEPLY BURIED THROUGHOUT THE MIDDLE EAST. SAUDI ARAMCO ANNOUNCED PLANS TO MARKET DIRECTLY THE ADDITIONAL CRUDE OIL DEDICATED TO THE BRITISH AL-YAMAMAH ARMS SALES PROGRAM, WHILE SAUDI ARABIA'S U.S. BASED JOINT VENTURE WITH TEXACO, STAR ENTERPRISE, REPORTED INCREASED SALES AND CAPITAL EXPENDITURES. IN GRANADA, THE EC/GCC INDUSTRIAL COOPERATION TALKS FOLLOWED A PREDICTABLE TRACK, WITH GCC REPRESENTATIVES ARGUING FOR MORE RAPID TRADE LIBERALIZATION THAN THE EC WANTS. AND DEPUTY PETROLEUM MINISTER ABDULAZIZ AL-TURKI WAS NAMED AS SECRETARY-GENERAL OF THE ORGANIZATION OF ARAB OIL EXPORTING COUNTRIES (OAPEC).
2. AGRICULTURE AND NON-OIL INDUSTRY: SAUDI ARABIA MAY HAVE BEGUN RETHINKING ITS AGRICULTURAL POLICY IN LIGHT OF SCARCE WATER RESERVES. SAG ALSO ANNOUNCED TOTAL AGRICULTURAL EXPORTS OF USD 300 MILLION FOR 1989, UP TWO AND A HALF TIMES FROM 1980'S LEVEL. THE MINISTRY OF INDUSTRY AND ELECTRICITY LICENSED A USD 80 MILLION RUTILE MANUFACTURING PLANT FOR CONSTRUCTION IN YANBU', AND BRITISH AEROSPACE SUBMITTED A NEW PLAN FOR ACRYLIC SHEET PRODUCTION AS PART OF THE UK ECONOMIC OFFSET PROGRAM, BRINGING TO EIGHT THE NUMBER OF OFFSET PROPOSALS PUT FORWARD TO DATE. FINALLY, THE MINISTRY OF INDUSTRY REPORTED THAT TOTAL INVESTMENT IN SAUDI FACTORIES AND INDUSTRIAL FACILITIES NOW STANDS AT USD 18.7 BILLION.
3. FOREIGN TRADE: THE MINISTRY OF FINANCE REPORTED THAT IMPORTS IN 1989 WERE DOWN SLIGHTLY FROM 1988. MEANWHILE, SAUDI EXPORTS OF MANUFACTURED GOODS TO GCC STATES ROSE SOME 50 PERCENT FROM 1987 TO 1988, WHILE MANUFACTURED IMPORTS FROM THE GCC WERE UP ALMOST ONE-THIRD FOR THE SAME PERIOD.
4. ECONOMIC AND SOCIAL TRENDS: NORTH YEMEN'S AMBASSADOR TO THE

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KINGDOM REPORTED THAT MORE THAN ONE QUARTER MILLION YEMENIS ARE CURRENTLY STUDYING IN SAUDI ARABIA. IN ADDITION, THE MINISTRY OF EDUCATION RELEASED NATIONWIDE EDUCATION FIGURES SHOWING THAT THE NUMBER OF STUDENTS MORE THAN DOUBLED FROM 1983 TO 1988, THOUGH TOTAL EXPENDITURE ON EDUCATION FELL SOME 13 PERCENT.

5. FINANCE AND BANKING: SAUDI AMERICAN BANK, SAUDI BRITISH BANK, SAUDI FRENCH BANK, AND THE ARAB NATIONAL BANK ALL REPORTED HIGHER PROFITS IN 1989. THE SAUDI ARABIAN MONETARY AGENCY ANNOUNCED PLANS FOR A SCREEN-BASED STOCK TRADING SYSTEM TO BE INTRODUCED LATER THIS YEAR. AND BANK OF CREDIT AND COMMERCE INTERNATIONAL DENIED RUMORS THAT THE SAUDI ARABIAN BIN MAHFOUZ FAMILY HAS SOLD ITS 20 PERCENT STAKE IN THE BANK. HOWEVER, SUBSEQUENT REPORTS THAT UAE INTERESTS NOW OWN 70% OF BCCI TEND TO BELIE THESE DENIALS.

/\*\*\*\*\* BEGINNING OF SECTION 002 \*\*\*\*\*/

6. FOREIGN AID: SAG THIS MONTH DONATED USD 20 MILLION FOR THE RENOVATION OF EGYPT'S ALEXANDRIA LIBRARY AND USD 270,000 TO TUNISIA FOR FLOOD RELIEF. SAUDI ARABIA CONTINUED ITS AID FOR THE CONSTRUCTION OF A NEW SOUTH YEMENI HOSPITAL AND THE EXPANSION OF THE PORT OF ADEN. AND SAG RELEASED SOME USD 50 MILLION TO SUDAN FOR USE IN HIGHWAY CONSTRUCTION.

7. BILATERAL ECONOMIC RELATIONS: SAG BANNED NEW THAI LABORERS FROM COMING TO SAUDI ARABIA AND ALL SAUDI TRAVEL TO THAILAND IN THE WAKE OF THE KILLINGS OF THREE SAUDI DIPLOMATS IN BANGKOK. IN RIYADH, THE SAUDI-SYRIAN ECONOMIC AND COMMERCIAL ACCORD WAS RENEWED FOR ANOTHER YEAR. EGYPTIAN, TURKISH, CYPRIOT, WELSH, SUDANESE, AND TAIWANESE TRADE FAIRS OR DELEGATIONS ALSO VISITED THE KINGDOM. IN ADDITION, A TUNISIAN AIR SERVICES TAXATION ACCORD BECAME EFFECTIVE THIS MONTH, WHILE SAUDI ARABIA AND SOUTH KOREA SIGNED A SIMILAR AGREEMENT IN RIYADH.

8. MULTILATERAL ECONOMIC RELATIONS: THE GCC STATES EXCLUDING OMAN SIGNED A MARITIME POLLUTION ACCORD THIS MONTH AND URGED IRAN AND IRAQ TO CLEAN UP DEBRIS LEFT FROM THE GULF WAR. A JOINT SAUDI-KUWAITI-EGYPTIAN INVESTMENT FIRM WAS ESTABLISHED IN SAUDI ARABIA. AND A SAUDI DELEGATION ATTENDED THE SOCIO-ECONOMIC COUNCIL MEETING OF THE ARAB LEAGE IN CAIRO TO DISCUSS THE EFFLCTS OF EC '92 ON ARAB ECONOMIES. END SUMMARY.

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9. PRICES AND PRODUCTION: THE PRICE OF ARABIAN LIGHT CRUDE DROPPED BY ABOUT A DOLLAR TO USD 17.60 PER BARREL IN FEBRUARY AS OPEC OUTPUT CONTINUED AT RATES ABOVE 23 MBD. IN SAUDI ARABIA, OUTPUT AVERAGED 5.4 MBD, IN LINE WITH THE KINGDOM'S OPEC QUOTA.

10. ARABIAN OIL COMPANY: THE SAUDI-KUWAITI-JAPANESE JOINT VENTURE, THE ARABIAN OIL COMPANY, WHICH NOW HOLDS THE CONCESSION FOR OFF-SHORE PRODUCTION IN THE DIVIDED ZONE BETWEEN KUWAIT AND SAUDI ARABIA, REPORTED VOLUME SALES OF 275,000 B/D IN 1989, UP 60 PERCENT FROM THE 172,000 B/D SOLD IN 1988. PRE-TAX PROFITS REPORTEDLY REACHED USD 43 MILLION IN 1989, MORE THAN DOUBLE 1988'S USD 16 MILLION.

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11. RECENT GULF OIL DISCOVERIES HINT AT VAST REGIONAL RESERVES: IN A PAPER BEFORE AN OAPEC CONFERENCE IN ABU DHABI LAST FALL, ZIAD BEYDOUN, PROFESSOR OF GEOLOGY AT THE AMERICAN UNIVERSITY IN BEIRUT, SUGGESTED THAT THE OIL IN THE PALEOZOIC RESERVOIRS IN OMAN'S YIBAL AND SAHMAH FIELDS AND THE NEW SAUDI FINDS IN THE CENTRAL REGION AT AL HAWTAH, DILAM, AND RAGHEEB COULD COME FROM SILURIAN AGE STRATA THAT ARE PRESENT ALL OVER THE MIDDLE EAST AND NORTH AFRICA. REPORTEDLY, MID-EAST GEOLOGISTS HAVE LONG SPECULATED THAT THE PALEOZOIC STRATA UNDERLYING SAUDI ARABIA'S CURRENT JURASSIC AND CRETACEOUS RESERVOIRS COULD BE HIGHLY PROSPECTIVE, BUT THE DEPTH OF THESE STRATA BLOCKED EXPLORATION. WITH THE DISCOVERIES IN SAUDI ARABIA'S CENTRAL REGION, EVIDENCE IS NOW BEGINNING TO ACCUMULATE FOR A MAJOR OIL SOURCING SEQUENCE IN THOSE OLDER LAYERS, WHICH EXTEND THROUGHOUT THE MIDDLE EAST.

12. SAUDI ARAMCO TO MARKET AL YAMAMAH CRUDE: SAUDI ARAMCO HAS DECIDED TO MARKET DIRECTLY THE ADDITIONAL 100,000 OF SAUDI CRUDE DEDICATED TO THE BRITISH AL YAMAMAH ARMS SALES PROGRAM, ACCORDING TO INDUSTRY SOURCES. BP AND SHELL WILL CONTINUE TO MARKET THE OTHER 400,000 B/D OF CRUDE DEDICATED TO THAT PROJECT.

13. SAUDI ARAMCO EXPANDS DIRECT SALES TO JAPAN: IN AN EFFORT TO DEVELOP A FIRMER PRESENCE IN THE JAPANESE MARKET, SAUDI ARAMCO HAS EXPANDED ITS DIRECT SALES TO JAPANESE REFINERS TO 210,000 B/D, WITH KYODO, IDEMITSU, AND COSMO TAKING 50,000 B/D EACH. IT HAS ALSO REPORTEDLY OPENED UP PRELIMINARY DISCUSSIONS WITH NIPPON, IDEMITSU, AND MITSUBISHI REGARDING A REFINING AND MARKETING JOINT VENTURE IN JAPAN.

14. STAR ENTERPRISES REPORTS SALES, EXPANSION PLANS: THE CHIEF EXECUTIVE OFFICER OF THE SAUDI TEXACO JOINT VENTURE STAR

/\*\*\*\*\* BEGINNING OF SECTION 005 \*\*\*\*\*/

ENTERPRISES, DON SCHMUDE, REPORTED IN FEBRUARY THAT THE COMPANY'S SALES HAD TOTALLED USD 6.3 BILLION IN 1989 AND THAT THE COMPANY HAD DOUBLED ITS CAPITAL EXPENDITURES FROM THE PREVIOUS YEAR. ACCORDING TO SCHMUDE, THE COMPANY IS PLANNING TO UNDERTAKE A USD 100 MILLION PROJECT TO UPGRADE ITS PORT ARTHUR, TEXAS REFINERY.

15. EC/GCC INDUSTRY TALKS IN GRANADA: THE "CONFERENCE ON INDUSTRIAL COOPERATION AND INVESTMENT," HELD IN GRANADA, SPAIN FROM FEBRUARY 19 - 22, PRODUCED A PREDICTABLE EXCHANGE BETWEEN INDUSTRY REPRESENTATIVES FROM THE EC AND THE GCC ON THE MERITS OF A FREE TRADE AGREEMENT BETWEEN THE TWO BLOCS. GCC REPRESENTATIVES ARGUED FOR RAPID CONCLUSION OF AN AGREEMENT AND ENHANCED COOPERATION, WHILE EC REPRESENTATIVES EMPHASIZED THE DIFFICULTIES IN MOVING TOWARDS A FREE TRADE AGREEMENT. EC

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PETROCHEMICAL PRODUCERS, IN PARTICULAR, VOICED OBJECTIONS TO A FREE TRADE AGREEMENT, BUT SAID THEY WERE WILLING TO WORK TOWARD INCREASED TRADE WITH THE GCC WITHIN THE FRAMEWORK OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE.

16. DEPUTY PETROLEUM MINISTER APPROVED AS OAPEC SEC GEN: THE MINISTERIAL COUNCIL OF THE ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES (OAPEC) THIS MONTH APPROVED THE APPOINTMENT OF ABDULAZIZ AL-TURKI, SAUDI DEPUTY MINISTER OF PETROLEUM FOR PETROLEUM AFFAIRS, AS SECRETARY GENERAL OF OAPEC. AL-TURKI'S APPOINTMENT IS EFFECTIVE MARCH 1.

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AGRICULTURE AND NON-OIL INDUSTRY  
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17. RETHINKING AGRICULTURAL POLICY: SIGNS OF OFFICIAL, IF RELUCTANT, RECOGNITION THAT SAUDI ARABIA'S AGRICULTURAL DEVELOPMENT POLICIES THREATEN THE KINGDOM'S WATER RESERVES ARE REFLECTED IN RECENT PUBLIC SAG STATEMENTS RECOGNIZING THE LIMITED NATURE OF WATER SUPPLIES AND THE NEED TO PLAN FOR FUTURE GENERATIONS. ADVISORS CONNECTED WITH THE FIFTH DEVELOPMENT PLAN ARE UNDERSTOOD TO HAVE MADE RECOMMENDATIONS TO DEAL WITH LIMITED GROUND WATER RESOURCES, INCLUDING: A PHASED PROGRAM OF WATER FEES AND REVENUE COLLECTION; STRICT ENFORCEMENT OF WELL-DRILLING REGULATIONS; SEPARATING RESPONSIBILITY FOR AGRICULTURE AND WATER, NOW COMBINED UNDER THE MINISTRY OF AGRICULTURE AND WATER; AND RESUMPTION OF HYDROGEOLOGIC STUDIES OF AQUIFERS AND WATER MANAGEMENT AND FEASIBILITY STUDIES.

18. AGRICULTURAL EXPORTS FOR 1989: THE MINISTRY OF AGRICULTURE'S STATISTICAL BULLETIN REPORTED THIS MONTH THAT AGRICULTURAL PRODUCTS EXPORTS FOR 1989 TOTALLED SR 1.2 BILLION (USD 0.3 BILLION), UP 240 PERCENT FROM 1980, WHEN EXPORTS TOTALLED SR 352 MILLION (USD 94.0 MILLION). ACCORDING TO THE BULLETIN, LAND UNDER CULTIVATION STOOD AT 11.6 MILLION DUNOMS,

/\*\*\*\*\* BEGINNING OF SECTION 006 \*\*\*\*\*/  
UP 107 PERCENT FROM 1977 WHEN ONLY 5.6 MILLION DUNOMS WERE CULTIVATED. ONE DUNOM EQUALS 1,000 SQUARE METERS.

19. RUTILE PLANT LICENSED: THE MINISTRY OF INDUSTRY AND ELECTRICITY IN FEBRUARY LICENSED THE CONSTRUCTION OF A NEW RUTILE PLANT IN YANBU'. THE PLANT, WITH CAPITALIZATION ANTICIPATED AT SR 306 MILLION (USD 81.7 MILLION), WILL HAVE AN ANNUAL PRODUCTION CAPACITY OF 100,000 TONS OF RUTILE, AN INGREDIENT IN THE MANUFACTURE OF TITANIUM DIOXIDE.

20. EIGHTH UK OFFSET PROPOSAL: BRITISH AEROSPACE HAS SUBMITTED AN INITIAL PROPOSAL FOR A VENTURE TO MAKE ACRYLIC SHEETS AS PART

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OF THE UK ECONOMIC OFFSET PROGRAM. THE PROPOSAL, THE EIGHTH SUCH MADE BY UK COMPANIES IN THE PROGRAM, ENVISAGES A 3,000 TON PER YEAR CAPACITY PLANT, EXPANDABLE TO 5,000 TONS PER YEAR. COST OF THE 3,000 TON MODEL: USD 35 MILLION.

21. MININD REPORTS SR 70 BILLION (USD 18.7 BILLION) IN INDUSTRIAL INVESTMENTS: MINISTER OF INDUSTRY AND ELECTRICITY ABDULAZIZ AL-ZAMIL REPORTED THIS MONTH THAT INVESTMENT IN SAUDI FACTORIES AND INDUSTRIAL FACILITIES NOW TOTALS SR 70 BILLION (USD 18.7 BILLION).

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22. IMPORTS DOWN FOR 1989: THE MINISTRY OF FINANCE'S CENTRAL DEPARTMENT OF STATISTICS REPORTED IN FEBRUARY THAT 1989 IMPORTS TOTALLED SR 79.22 BILLION (USD 21.2 BILLION), DOWN 2.9 PERCENT FROM 1988'S TOTAL OF SR 81.58 BILLION (USD 21.8 BILLION). THE DEPARTMENT ATTRIBUTED THIS DROP TO INCREASED SUBSTITUTION OF LOCALLY PRODUCED GOODS FOR IMPORTS. NOTE: THE MINISTRY OF FINANCE DOES NOT INCLUDE MILITARY GOODS AND SERVICES IN ITS IMPORT FIGURES. END NOTE.

23. GCC TRADE DURING 1988: SAUDI EXPORTS OF MANUFACTURED GOODS TO GCC STATES ROSE FROM SR 874 MILLION (USD 233.4 MILLION) IN 1987 TO SR 1,346 MILLION (USD 359.4 MILLION) IN 1988, AN INCREASE OF 54 PERCENT. IN THE SAME PERIOD MANUFACTURED IMPORTS FROM GCC STATES ROSE FROM SR 1,197 MILLION TO SR 1,550 MILLION (USD 413.9 MILLION), AN INCREASE OF ALMOST 30 PERCENT.

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24. QUARTER MILLION YEMENI STUDENTS IN SAUDI ARABIA: NORTH YEMEN'S AMBASSADOR TO SAUDI ARABIA, GHALEB ALI JAMEEL, REPORTED IN FEBRUARY THAT MORE THAN 250,000 YEMENI STUDENTS ARE CURRENTLY PURSUING SECONDARY AND UNIVERSITY STUDIES IN SAUDI ARABIA.

/\*\*\*\*\* BEGINNING OF SECTION 007 \*\*\*\*\*/

25. KINGDOM-WIDE EDUCATIONAL STATISTICS: THE MINISTRY OF EDUCATION AND THE GENERAL ORGANIZATION FOR TECHNICAL EDUCATION AND VOCATIONAL TRAINING (GOTEVT) THIS MONTH RELEASED KINGDOM-WIDE EDUCATIONAL FIGURES. THE FIGURES, WHICH COVER THE PERIOD FROM 1983 TO 1988, SHOW A 124 PERCENT INCREASE IN THE TOTAL NUMBER OF STUDENTS ENROLLED AT ALL LEVELS, FROM 1,181,319 IN 1983 TO 2,651,577 IN 1988. AT THE SAME TIME, TOTAL GOVERNMENT FUNDING FOR EDUCATION FELL 13 PERCENT FROM SR 26 BILLION (USD 6.9 BILLION) IN 1983 TO SR 22.4 BILLION (USD 6.0

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BILLION) IN 1988.

26. KAU ENROLLMENT: DR. REDHA UBAID, RECTOR OF JEDDAH'S KING ABDULAZIZ UNIVERSITY (KAU), ANNOUNCED DURING A FEBRUARY GRADUATION CEREMONY THAT ENROLLMENT AT KAU'S MAIN AND BRANCH CAMPUSES HAS REACHED SOME 32,000 STUDENTS, MALE AND FEMALE. OF THOSE, SOME 26,000 ARE FULL-TIME AND THE BALANCE PART-TIME AND CONTINUING EDUCATION STUDENTS.

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27. LOCAL BANKS REPORT PROFITS UP FOR 1989: SAUDI AMERICAN BANK (SAMBA) REPORTED NET PROFITS FOR 1989 OF SR 421.7 MILLION (USD 112.6 MILLION), A 79 PERCENT INCREASE ON 1988. GENERAL MANAGER MEHLI MISTRI PREDICTS CONTINUED, IF LESS SPECTACULAR GROWTH IN THE 1990S. ACCORDING TO MISTRI, SAMBA'S BUSINESS PLAN IN 1990 WILL FOCUS ON INVESTMENT MANAGEMENT AND RETAIL BANKING SERVICES.

THE SAUDI BRITISH BANK (SBB) ANNOUNCED NET PROFITS FOR 1989 OF SR 123.1 MILLION, (USD 32.9 MILLION), COMPARED TO ITS 1988 NET LOSS OF SR 239.3 MILLION (USD 63.9 MILLION). SBB MANAGING DIRECTOR MEHTA ANTICIPATES CONTINUED STRONG GROWTH IN 1990 WITH FURTHER RAPID EXPANSION IN RETAIL BANKING. AS A RESULT OF THE BANK'S STRONG 1989 PERFORMANCE, THE BOARD OF DIRECTORS HAS ANNOUNCED A GROSS DIVIDEND TO STOCKHOLDERS OF 12 PERCENT.

SAUDI FRENCH BANK REPORTED NET PROFITS FOR 1989 OF SR 103.1 MILLION (USD 27.5 MILLION).

RIYADH-BASED ARAB NATIONAL BANK REPORTED PROFITS OF SR 322 MILLION (USD 86.0 MILLION) FOR 1989, A 23.7 PERCENT INCREASE OVER 1988'S NET OF SR 260 MILLION (USD 69.3 MILLION). THIS CONTINUES ANB'S RECENT PROSPERITY; IN 1988 IT WAS THE KINGDOM'S MOST PROFITABLE BANK.

28. SAMA ANNOUNCES PLANS FOR SCREEN-BASED STOCK TRADING SYSTEM: THE SAUDI ARABIAN MONETARY AGENCY (SAMA) IS COORDINATING PLANS FOR AN ELECTRONIC STOCK TRADING SYSTEM TO BE INTRODUCED LATER THIS YEAR. IT IS EXPECTED THAT TRADING

/\*\*\*\*\* BEGINNING OF SECTION 008 \*\*\*\*\*/  
INITIALS WILL BE CONDUCTED ONLY AT BANK HEAD OFFICES. CLEARING WILL BE THROUGH SAMA WITH A SETTLEMENT DATE TWO DAYS AFTER TRADING. WHILE SAMA DOES NOT INTEND TO FIX COMMISSIONS, IT HOPES THAT BROKER'S COMMISSIONS WILL SETTLE AT AROUND 0.5 PERCENT OF THE VALUE OF THE TRANSACTION ON BOTH SIDES OF THE TRADE. IT IS WORTH NOTING THAT THIS EFFORT TO CREATE AN

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ELECTRONIC STOCK TRADING SYSTEM FOLLOWS AN EARLIER EFFORT, IN 1987, TO ESTABLISH A CENTRAL STOCK TRADING FLOOR IN RIYADH. THAT MARKET CLOSED SHORTLY AFTER BEGINNING OPERATION.

29. BCCI DENIES BIN MAHFOUZ RUMORS: BANK OF CREDIT AND COMMERCE INTERNATIONAL (BCCI) THIS MONTH CHARACTERIZED AS PREMATURE REPORTS IN THE LONDON-BASED FINANCIAL TIMES THAT THE SAUDI ARABIAN BIN MAHFOUZ FAMILY HAS SOLD ITS 20 PERCENT STAKE IN THE BANK. ANALYSTS SAY, HOWEVER, THAT THE BIN MAHFOUZ ARE IN THE PROCESS OF SELLING THEIR STAKE AND IT WAS SUBSEQUENTLY REPORTED THAT UAE INTERESTS NOW OWN 70 PERCENT OF BCCI. RUMORS ABOUT THE SALE HAVE BEEN CIRCULATING SINCE BCCI WAS INDICTED ON DRUG-RELATED, MONEY-LAUNDERING CHARGES IN OCTOBER 1988.

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30. USD 20 MILLION FOR ALEXANDRIA LIBRARY: KING FAHD THIS MONTH DONATED USD 20 MILLION FOR RECONSTRUCTION OF THE ANCIENT LIBRARY IN ALEXANDRIA, EGYPT.

31. ADEN AID: A FOUNDATION-LAYING CEREMONY TOOK PLACE THIS MONTH AT THE SITE OF A NEW 200-BED HOSPITAL IN ADEN, SOUTH YEMEN, THE SR 86 MILLION (USD 23.0 MILLION) CONSTRUCTION OF WHICH IS BEING FINANCED BY THE SAUDI FUND FOR DEVELOPMENT. THE KINGDOM IS ALSO FINANCING A SR 108 MILLION (USD 28.8 MILLION) PORT OF ADEN EXPANSION PROJECT. IN ADDITION, A VESSEL CARRYING 5,000 TONS OF CONSTRUCTION MATERIALS DEPARTED DAMMAM FOR ADEN ON FEBRUARY 15. THE MATERIALS WERE DONATED BY THE CENTRAL RESCUE COMMITTEE FOR FLOOD AND CATASTROPHE VICTIMS TO AID VICTIMS OF FEBRUARY'S FLOODS.

32. TUNISIAN FLOOD RELIEF: PRINCE TALAL BIN ABDULAZIZ, PRESIDENT OF AGFUND, DONATED USD 270,000 TO TUNISIA THIS MONTH IN SUPPORT OF FLOOD RELIEF OPERATIONS.

33. SAG RELEASES SUDAN FLOOD RELIEF FUNDS: SOME SR 200 MILLION (USD 53.4 MILLION) RAISED BY SAG FROM GOVERNMENT AND PRIVATE SOURCES FOR RELIEF OF THE 1988 SUDANESE FLOOD VICTIMS WAS RELEASED THIS MONTH TO THE GOVERNMENT OF SUDAN. THE MONEY REPORTEDLY WILL BE USED FOR CONSTRUCTION OF A HIGHWAY LINKING KHARTOUM WITH ATBARA IN THE NORTH AND PORT SUDAN IN THE EAST.

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34. THAI LABOR AND TRAVEL BAN IN WAKE OF BANGKOK KILLINGS: DEPUTY INTERIOR MINISTER AHMED BIN ABDULAZIZ ANNOUNCED IN FEBRUARY THAT, IN RESPONSE TO PERCEIVED THAI PROCRASTINATION IN RESOLVING THE KILLING OF THREE SAUDI DIPLOMATS IN BANGKOK, SAUDI ARABIA WOULD NO LONGER ISSUE WORK VISAS TO THAI NATIONALS. IN ADDITION, NO EXIT/REENTRY VISAS FOR THAI WORKERS RETURNING HOME WILL BE GRANTED UNTIL THE RESOLUTION OF THE CASE. AND SAG HAS ISSUED A STATEMENT PROHIBITING THE TRAVEL OF SAUDI NATIONALS TO THAILAND FOR THE DURATION.

35. BRITISH OFFSET DELEGATION: A DELEGATION OF SENIOR EXECUTIVES FROM TEN BRITISH INDUSTRIAL FIRMS VISITED THE KINGDOM IN FEBRUARY TO PROMOTE THE AL-YAMAMAH INVESTMENT OFFSET PROGRAM. THE MISSION WAS COORDINATED BY THE BRITISH MINISTRY OF DEFENSE TO INTRODUCE THE COMPANIES TO INVESTMENT OPPORTUNITIES AND ALLOW TIME FOR DIRECT TALKS WITH LOCAL GOVERNMENT OFFICIALS AND BUSINESSMEN ON SPECIFIC PROJECT IDEAS.

36. SAUDI-EGYPTIAN ECONOMIC COMMISSION PREPARATIONS: SAUDI AMBASSADOR TO THE GCC MA'MOUN KURDI AND EGYPTIAN ASSISTANT TO THE FOREIGN MINISTER SAMI HAIBAH CHAIRED A SESSION IN CAIRO ON FEBRUARY 12 AIMED AT SETTING THE AGENDA FOR THE SAUDI-EGYPTIAN ECONOMIC COMMISSION MEETING IN MARCH. ACCORDING TO THE CHAIRMEN, THE SESSION COVERED, AMONG OTHER ITEMS, OPPORTUNITIES FOR ECONOMIC COOPERATION AND THE FRAMEWORK TRADE ACCORD INITIALED LAST MARCH. ACCORDING TO PRESS REPORTS, THE PROPOSED SAUDI-EGYPTIAN CAUSEWAY WAS AMONG THE TOPICS ON THE AGENDA FOR THE MARCH MEETING. THE PREPARATORY TALKS ALSO TOUCHED ON PROPOSALS FOR A SAUDI-EGYPTIAN INTEGRATED POWER GRID.

37. FEBRUARY TRADE FAIRS: AN EXHIBITION FOR EGYPTIAN PRODUCTS OPENED IN JEDDAH FEBRUARY 14. MORE THAN 200 EGYPTIAN MANUFACTURERS OF TEXTILES, FOODSTUFFS, AND ELECTRICAL MACHINERY WERE REPRESENTED AT THE SHOW. IN CONNECTION WITH THE FAIR, DR. MUHYUDDIN GHREEB, PRESIDENT OF THE EGYPTIAN INVESTMENT CORPORATION, CHAIRED A SYMPOSIUM ON EGYPTIAN INVESTMENT OPPORTUNITIES AND A DISCUSSION OF THE NEW EGYPTIAN INVESTMENT LAW.

THE UAE'S FINANCE AND INDUSTRY MINISTER SHEIKH RASHID AL-MAKTOUM OPENED THE FIRST SAUDI INDUSTRIAL SHOW IN DUBAI THIS MONTH. THE FAIR, SPONSORED BY THE SAUDI EXPORT DEVELOPMENT CENTER, SHOWCASED SAUDI INDUSTRIAL PRODUCTS IN PETROLEUM AND PETROCHEMICALS, FOODSTUFFS, AND HOUSEHOLD GOODS.

A 50-MEMBER TRADE DELEGATION REPRESENTING 18 TURKISH COMPANIES VISITED SAUDI ARABIA THIS MONTH TO DISCUSS ENHANCED BILATERAL ECONOMIC AND COMMERCIAL COOPERATION. IN CONNECTION WITH THE EVENT, THE MINISTRY OF COMMERCE REPORTED THAT SAUDI EXPORTS TO

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TURKEY FOR THE FIRST THREE QUARTERS OF 1989 TOTALLED USD 193.2 MILLION, WITH IMPORTS FOR THE SAME PERIOD AMOUNTING TO USD 291 MILLION.

A TOTAL OF 23 COMPANIES PARTICIPATED IN A CYPRIOT TRADE MISSION TO SAUDI ARABIA REPRESENTING THE APPAREL, COSMETICS, AND CONSTRUCTION MACHINERY INDUSTRIES. THE MISSION VISITED RIYADH, DAMMAM, AND JEDDAH FROM FEBRUARY 9-21.

AN ELEVEN-MEMBER WELSH TRADE MISSION HEADED BY WELSH SECRETARY OF STATE PETER WALKER TOURED THE KINGDOM PROMOTING FOODSTUFFS, BUILDING MATERIALS, AND EMERGENCY RESCUE GEAR.

THE TAIWAN TRADE FAIR OPENED IN RIYADH FEBRUARY 20. SOME 36 FIRMS IN THE FIELDS OF PERSONAL COMPUTERS AND HOME APPLIANCES WERE REPRESENTED.

38. TUNISIAN, KOREAN AIR SERVICES TAXATION ACCORDS: THE SAUDI-TUNISIAN JOINT AGREEMENT ON TAXATION AND CUSTOMS EXEMPTIONS FOR CIVILIAN AIR TRANSPORT SERVICES BECAME EFFECTIVE THIS MONTH IN TUNIS. A SIMILAR AGREEMENT BETWEEN SAUDI ARABIA AND SOUTH KOREA WAS ALSO SIGNED IN RIYADH IN FEBRUARY.

39. SAUDI-SYRIAN AGREEMENT RENEWED: THE COUNCIL OF MINISTERS DURING FEBRUARY APPROVED RENEWAL OF THE COMMERCIAL AND ECONOMIC AGREEMENT BETWEEN SAUDI ARABIA AND SYRIA FOR ANOTHER YEAR.

40. SAUDI-SUDANESE TRADE AND INVESTMENT TALKS: BRIGADIER GENERAL BABIKIR MOHAMMED ALTOUM LED A SUDANESE DELEGATION TO JEDDAH THIS MONTH TO PARTICIPATE IN CHAMBER OF COMMERCE-HOSTED TALKS ON SAUDI INVESTMENT IN SUDAN. DISCUSSIONS COVERED SUDAN'S INVESTMENT CLIMATE AND THE NEW, FAVORABLE FOREIGN INVESTMENT LAW WHICH, ACCORDING TO PRESS REPORTS, GRANTS TAX AND CUSTOMS EXEMPTIONS AND FREE REPATRIATION OF CAPITAL FROM SUDAN.

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41. GCC MARITIME POLLUTION PROTECTION PROTOCOL SIGNED: SAUDI ARABIA, KUWAIT, BAHRAIN, QATAR, AND THE UAE SIGNED A MARITIME POLLUTION PROTOCOL IN KUWAIT THIS MONTH. THE AGREEMENT AIMS AT REDUCTION OF INDUSTRIAL EFFLUENTS INTO THE ARABIAN GULF. AT THE SIGNING, DR. ABDULRAHMAN AL-AWADHI, EXECUTIVE SECRETARY OF THE REGIONAL MARITIME ORGANIZATION, CALLED ON IRAN AND IRAQ TO CLEAN THE GULF OF DEBRIS LEFT BEHIND FROM THE WAR.

42. JOINT SAUDI-KUWAITI-EGYPTIAN INVESTMENT FIRM ESTABLISHED: SAUDI ARABIA'S AL-MAWARID INVESTMENT COMPANY ANNOUNCED THIS MONTH THE FORMATION OF A JOINT INVESTMENT STOCK FIRM AIMED AT ACQUIRING SHARES OF STOCK IN PROMISING ARAB COMPANIES. THE

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FIRM, INVOLVING AL-MAWARID, FIRST CAIRO FINANCE COMPANY, AND THE  
KUWAIT REAL ESTATE INVESTMENT COMPANY, IS INITIALLY CAPITALIZED  
AT USD 12.7 MILLION.

43. HAJJ MINISTER PROPOSES ISLAMIC ECONOMIC INTEGRATION: SAUDI  
MINISTER OF THE HAJJ AND RELIGIOUS ENDOWMENTS ABDULWAHAB  
ABDULWASIE PROPOSED THE FORMATION OF AN ISLAMIC ECONOMIC COUNCIL  
TO AID TECHNOLOGY TRANSFER TO ISLAMIC COUNTRIES. ABDULWASIE'S  
PRESENTATION, MADE DURING THE THIRD CONFERENCE OF THE SUPREME  
COUNCIL FOR ISLAMIC AFFAIRS IN CAIRO THIS MONTH, ALSO ADVOCATED  
AN ISLAMIC COMMON MARKET FOR THE REDUCTION OF TRADE BARRIERS  
AMONG MEMBER COUNTRIES.

44. MINFIN TAKES SAUDI GROUP TO ARAB LEAGUE ECONOMIC COUNCIL:  
MINISTER OF FINANCE MOHAMMED ABALKHAIL HEADED THE SAUDI  
DELEGATION TO THE ARAB LEAGUE'S SOCIO-ECONOMIC COUNCIL MEETING  
IN CAIRO ON FEBRUARY 21. THE MEETING FOCUSED ON WHAT EFFECTS EC  
'92 WOULD HAVE ON ARAB ECONOMIES.

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